



CONFERENCE COMMITTEE REPORT DIGEST FOR ESB 176

Citations Affected: IC 6-1.1-18.5-3; IC 6-3.5; IC 8-23-3-8; IC 8-25; IC 12-29-2-2; IC 36-9.

Synopsis: Central Indiana transit. Conference committee report for ESB 176. Provides for the establishment or expansion of public transportation services other than light rail in an eligible county through a local public question placed on the ballot under an ordinance adopted by the fiscal body of the eligible county. Requires the department of local government finance to review and approve the language of a local public question. Provides that Delaware County, Hamilton County, Hancock County, Johnson County, Madison County, and Marion County are eligible counties. Authorizes eligible counties to fund approved public transportation projects through various parts of the local option income tax rates that are available under current law for other purposes. Requires that fares must cover at least 25% of the operating costs of a transportation system established or expanded under the bill. Requires that revenue raised from sources other than taxes and fares must: (1) equal at least 10% of the local option income tax revenue that the budget agency certifies that an eligible county will receive in the first year of operations of a public transportation project; and (2) cover at least 10% of the operating costs of a transportation system established or expanded under the bill in the second year and thereafter. Provides that eligible counties are responsible for covering any shortfalls in raising alternative revenues. Requires foundations to be established in eligible counties for the purpose of meeting the alternative revenue requirements. Authorizes interlocal agreements, public-private partnerships, and bonding with respect to a public transportation project. Prohibits a political subdivision from using public funds to promote a position on a local public question regarding transit. Provides that the provisions in the bill do not create a moral obligation of the state. Specifies that no general revenues of the state may be used to pay for a transportation project or service under the provisions in the bill (but that this restriction does not apply to distributions from the public mass transportation fund). Requires goals for participation by minority business enterprises, veteran business enterprises, and women's business enterprises in the development of a public transportation project. Provides that the public mass transportation fund distribution formula is subject to annual review by the budget committee and approval of the budget director. Authorizes the fiscal body of a township that is: (1) located in an eligible county in which the county fiscal body does not adopt an ordinance to place a local public question on the ballot; and



(2) adjacent to a township in which a public transportation project is approved; to adopt a resolution placing a local public question on the next general election ballot in the township concerning the establishment of a public transportation public project in the township. Requires the county fiscal body to carry out a public transportation project approved by the voters of the township and fund it through local option income taxes imposed only upon the county taxpayers who reside in the township. **(This conference committee report does the following: (1) Restores the prohibition on light rail from the senate passed version of the bill. (2) Provides that the public mass transportation fund distribution formula is subject to annual review by the budget committee and approval of the budget director. (3) Provides that the language of each local public question is subject to the approval of the department of local government finance. (4) Adds provisions allowing certain townships to opt-in with respect to establishing or expanding public transportation services in central Indiana. (5) Changes the requirements with respect to raising alternative revenue for a public transportation project. (6) Provides that an eligible county is responsible for covering shortfalls incurred in raising alternative revenue. (7) Requires foundations to be established in eligible counties for the purpose of meeting the alternative revenue requirements.)**

Effective: July 1, 2014.



| | |
|---------|----------|
| Adopted | Rejected |
|---------|----------|

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill No. 176 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 6-1.1-18.5-3, AS AMENDED BY P.L.234-2013,
- 3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2014]: Sec. 3. (a) A civil taxing unit may not impose an ad
- 5 valorem property tax levy for an ensuing calendar year that exceeds the
- 6 amount determined in the last STEP of the following STEPS:
- 7 STEP ONE: Determine the civil taxing unit's maximum
- 8 permissible ad valorem property tax levy for the preceding
- 9 calendar year.
- 10 STEP TWO: Multiply the amount determined in STEP ONE by
- 11 the amount determined in the last STEP of section 2(b) of this
- 12 chapter.
- 13 STEP THREE: Determine the lesser of one and fifteen hundredths
- 14 (1.15) or the quotient (rounded to the nearest ten-thousandth
- 15 (0.0001)), of the assessed value of all taxable property subject to
- 16 the civil taxing unit's ad valorem property tax levy for the ensuing
- 17 calendar year, divided by the assessed value of all taxable
- 18 property that is subject to the civil taxing unit's ad valorem
- 19 property tax levy for the ensuing calendar year and that is
- 20 contained within the geographic area that was subject to the civil
- 21 taxing unit's ad valorem property tax levy in the preceding

1 calendar year.

2 STEP FOUR: Determine the greater of the amount determined in

3 STEP THREE or one (1).

4 STEP FIVE: Multiply the amount determined in STEP TWO by

5 the amount determined in STEP FOUR.

6 STEP SIX: Add the amount determined under STEP TWO to the

7 amount of an excessive levy appeal granted under section 13 of

8 this chapter for the ensuing calendar year.

9 STEP SEVEN: Determine the greater of STEP FIVE or STEP

10 SIX.

11 (b) This subsection applies only to property taxes first due and

12 payable after December 31, 2007. This subsection applies only to a

13 civil taxing unit that is located in a county for which:

14 (1) a county adjusted gross income tax rate is first imposed or is

15 increased in a particular year under IC 6-3.5-1.1-24; or

16 (2) a county option income tax rate is first imposed or is increased

17 in a particular year under IC 6-3.5-6-30;

18 **to provide property tax relief in the county.** Notwithstanding any

19 provision in this section, any other section of this chapter, or

20 IC 12-20-21-3.2, and except as provided in subsection (c), the

21 maximum permissible ad valorem property tax levy calculated under

22 this section for the ensuing calendar year for a civil taxing unit subject

23 to this section is equal to the civil taxing unit's maximum permissible

24 ad valorem property tax levy for the current calendar year.

25 (c) This subsection applies only to property taxes first due and

26 payable after December 31, 2007. In the case of a civil taxing unit that:

27 (1) is partially located in a county for which a county adjusted

28 gross income tax rate is first imposed or is increased in a

29 particular year under IC 6-3.5-1.1-24 or a county option income

30 tax rate is first imposed or is increased in a particular year under

31 IC 6-3.5-6-30 **to provide property tax relief in the county;** and

32 (2) is partially located in a county that is not described in

33 subdivision (1);

34 the department of local government finance shall, notwithstanding

35 subsection (b), adjust the portion of the civil taxing unit's maximum

36 permissible ad valorem property tax levy that is attributable (as

37 determined by the department of local government finance) to the

38 county or counties described in subdivision (2). The department of

39 local government finance shall adjust this portion of the civil taxing

40 unit's maximum permissible ad valorem property tax levy so that,

41 notwithstanding subsection (b), this portion is allowed to increase as

42 otherwise provided in this section. If the department of local

43 government finance increases the civil taxing unit's maximum

44 permissible ad valorem property tax levy under this subsection, any

45 additional property taxes imposed by the civil taxing unit under the

46 adjustment shall be paid only by the taxpayers in the county or counties

47 described in subdivision (2).

48 SECTION 2. IC 6-3.5-1.1-9, AS AMENDED BY P.L.261-2013,

49 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

50 JULY 1, 2014]: Sec. 9. (a) Revenue derived from the imposition of the

1 county adjusted gross income tax shall, in the manner prescribed by
 2 this section, be distributed to the county that imposed it. The amount
 3 to be distributed to a county during an ensuing calendar year equals the
 4 amount of county adjusted gross income tax revenue that the budget
 5 agency determines has been:

6 (1) received from that county for a taxable year ending before the
 7 calendar year in which the determination is made; and

8 (2) reported on an annual return or amended return processed by
 9 the department in the state fiscal year ending before July 1 of the
 10 calendar year in which the determination is made;

11 as adjusted for refunds of county adjusted gross income tax made in the
 12 state fiscal year.

13 (b) Before August 2 of each calendar year, the budget agency shall
 14 provide to the county auditor of each adopting county an estimate of
 15 the amount determined under subsection (a) that will be distributed to
 16 the county, based on known tax rates. Not later than thirty (30) days
 17 after receiving the estimate of the certified distribution, the county
 18 auditor shall notify each taxing unit of the estimated amount of
 19 property tax replacement credits, certified shares, and other revenue
 20 that will be distributed to the taxing unit under this chapter during the
 21 ensuing calendar year. Before October 1 of each calendar year, the
 22 budget agency shall certify to the county auditor of each adopting
 23 county the amount determined under subsection (a) plus the amount of
 24 interest in the county's account that has accrued and has not been
 25 included in a certification made in a preceding year. The amount
 26 certified is the county's "certified distribution" for the immediately
 27 succeeding calendar year. The amount certified shall be adjusted under
 28 subsections (c), (d), (e), (f), and (g). Not later than thirty (30) days after
 29 receiving the notice of the amount of the certified distribution, the
 30 county auditor shall notify each taxing unit of the amount of property
 31 tax replacement credits, certified shares, and other revenue that will be
 32 distributed to the taxing unit under this chapter during the ensuing
 33 calendar year. The budget agency shall provide the county council with
 34 an informative summary of the calculations used to determine the
 35 certified distribution. The summary of calculations must include:

36 (1) the amount reported on individual income tax returns
 37 processed by the department during the previous fiscal year;

38 (2) adjustments for over distributions in prior years;

39 (3) adjustments for clerical or mathematical errors in prior years;

40 (4) adjustments for tax rate changes; and

41 (5) the amount of excess account balances to be distributed under

42 IC 6-3.5-1.1-21.1.

43 The budget agency shall also certify information concerning the part of
 44 the certified distribution that is attributable to a tax rate under section
 45 24, 25, or 26 of this chapter. This information must be certified to the
 46 county auditor, the department, and the department of local government
 47 finance before October 1 of each calendar year. The part of the certified
 48 distribution that is attributable to a tax rate under section 24, 25, or 26
 49 of this chapter may be used only as specified in those provisions.

50 (c) The budget agency shall certify an amount less than the amount

determined under subsection (b) if the budget agency determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The budget agency may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) The budget agency shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The budget agency may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) This subsection applies to a county that initially imposes, increases, decreases, or rescinds a tax or tax rate under this chapter before November 1 in the same calendar year in which the budget agency makes a certification under this section. The budget agency shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The budget agency shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c). If the county imposes, increases, decreases, or rescinds a tax or tax rate under this chapter after the date for which a certification under subsection (b) is based, the budget agency shall adjust the certified distribution of the county after September 30 of the calendar year. The adjustment shall reflect any other adjustment required under subsections (c), (d), (f), and (g). The adjusted certification shall be treated as the county's "certified distribution" for the immediately succeeding calendar year. The budget agency shall certify the adjusted certified distribution to the county auditor for the county and provide the county council with an informative summary of the calculations that revises the informative summary provided in subsection (b) and reflects the changes made in the adjustment.

(f) The budget agency shall adjust the certified distribution of a county to provide the county with the distribution required under section 3.3 of this chapter beginning not later than the tenth month after the month in which additional revenue from the tax authorized under section 3.3 of this chapter is initially collected.

(g) This subsection applies in the year in which a county initially imposes a tax rate under section 24 of this chapter. Notwithstanding any other provision, the budget agency shall adjust the part of the county's certified distribution that is attributable to the tax rate under section 24 of this chapter to provide for a distribution in the immediately following calendar year equal to the result of:

(1) the sum of the amounts determined under STEP ONE through STEP FOUR of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the year in which the county initially imposes a tax rate under section 24 of this chapter; multiplied by

(2) two (2).

(h) The budget agency shall before May 1 of every odd-numbered

year publish an estimate of the statewide total amount of certified distributions to be made under this chapter during the following two (2) calendar years.

(i) The budget agency shall before May 1 of every even-numbered year publish an estimate of the statewide total amount of certified distributions to be made under this chapter during the following calendar year.

(j) The estimates under subsections (h) and (i) must specify the amount of the estimated certified distributions that are attributable to the additional rate authorized under section 24 of this chapter, the additional rate authorized under section 25 of this chapter, the additional rate authorized under section 26 of this chapter, and any other additional rates authorized under this chapter.

SECTION 3. IC 6-3.5-1.1-23, AS AMENDED BY P.L.224-2007, SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 23. (a) A pledge of county adjusted gross income tax revenues **received** under this chapter (other than tax revenue attributable to a tax rate under section 24, 25, or 26 of this chapter **for property tax relief or public safety**) is enforceable in accordance with IC 5-1-14.

(b) With respect to obligations for which a pledge has been made under this chapter, the general assembly covenants with the county and the purchasers or owners of those obligations that this chapter will not be repealed or amended in any manner that will adversely affect the collection of the tax imposed under this chapter as long as the principal of or interest on those obligations is unpaid.

SECTION 4. IC 6-3.5-1.1-24, AS AMENDED BY P.L.261-2013, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 24. (a) In a county in which the county adjusted gross income tax is in effect, the county council may adopt an ordinance to impose or increase (as applicable) a tax rate under this section.

(b) In a county in which neither the county adjusted gross income tax nor the county option income tax is in effect, the county council may adopt an ordinance to impose a tax rate under this section.

(c) If a county council adopts an ordinance to impose or increase a tax rate under this section, not more than ten (10) days after the vote, the county auditor shall send a certified copy of the ordinance to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance in an electronic format approved by the director of the budget agency.

(d) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(e) **Except as provided in subsection (t)**, the following apply only in the year in which a county council first imposes a tax rate under this section:

(1) The county council shall, in the ordinance imposing the tax rate, specify the tax rate for each of the following two (2) years.

(2) The tax rate that must be imposed in the county in the first

year is equal to the result of:

(A) the tax rate determined for the county under ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the year in which the tax rate is increased; multiplied by

(B) two (2).

(3) The tax rate that must be imposed in the county in the second year is the tax rate determined for the county under ~~IC 6-3.5-1.5-1(b)~~ **IC 6-3.5-1.5-1(c)**. The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(4) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c), IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its repeal), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year and to property taxes first due and payable in the calendar year after the ensuing calendar year.

(f) **Except as provided in subsection (t)**, the following apply only in a year in which a county council increases a tax rate under this section:

(1) The county council shall, in the ordinance increasing the tax rate, specify the tax rate for the following year.

(2) The tax rate that must be imposed in the county is equal to the result of:

(A) the tax rate determined for the county under ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in that year; plus

(B) the tax rate currently in effect in the county under this section.

The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(3) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c), IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its repeal), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year.

(g) **Except as provided in subsection (t)**, the department of local government finance shall determine the following property tax replacement distribution amounts:

STEP ONE: Determine the sum of the amounts determined under STEP ONE through STEP FOUR of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** for the county in the preceding year.

STEP TWO: For distribution to each civil taxing unit that in the year had a maximum permissible property tax levy limited under IC 6-1.1-18.5-3(b), determine the result of:

(1) the quotient of:

(A) the part of the amount determined under STEP ONE of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the preceding year that was attributable to the civil taxing unit; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP THREE: For distributions in 2009 and thereafter, the result

of this STEP is zero (0). For distribution to the county for deposit in the county family and children's fund before 2009, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP TWO of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FOUR: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county children's psychiatric residential treatment services fund before 2009, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP THREE of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FIVE: For distribution to the county for community mental health center purposes, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP FOUR of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

Except as provided in subsection (m), the county treasurer shall distribute the portion of the certified distribution that is attributable to a tax rate under this section as specified in this section. The county treasurer shall make the distributions under this subsection at the same time that distributions are made to civil taxing units under section 15 of this chapter.

(h) Notwithstanding sections 3.1 and 4 of this chapter, a county council may not decrease or rescind a tax rate imposed under this ~~chapter.~~ **section.**

(i) The tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter; or

(2) the maximum permissible property tax levy under IC 6-1.1-18.5-3.

(j) The tax levy under this section shall not be considered for purposes of the credit under IC 6-1.1-20.6.

(k) **Except as provided in subsections (s) and (t)**, a distribution under this section shall be treated as a part of the receiving civil taxing

unit's property tax levy for that year for purposes of fixing the budget of the civil taxing unit and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(l) If a county council imposes a tax rate under this section (**other than a tax rate imposed under subsection (s)**), the portion of county adjusted gross income tax revenue dedicated to property tax replacement credits under section 11 of this chapter may not be decreased.

(m) In the year following the year in a which a county first imposes a tax rate under this section, one-half (1/2) of the tax revenue that is attributable to the tax rate under this section (**other than a tax rate imposed under subsection (s)**) must be deposited in the county stabilization fund established under subsection (o).

(n) **Except as provided in subsection (t) and IC 8-25**, a pledge of county adjusted gross income taxes does not apply to revenue attributable to a tax rate under this section.

(o) **Except as provided in subsection (t)**, a county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county stabilization fund in a year by the county auditor to political subdivisions entitled to a distribution of tax revenue attributable to the tax rate under this section if:

(1) the certified distributions attributable to a tax rate under this section are less than the amount calculated under STEP ONE through STEP FOUR of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section for a year; or

(2) the certified distributions attributable to a tax rate under this section in a year are less than the certified distributions attributable to a tax rate under this section in the preceding year.

However, subdivision (2) does not apply to the year following the first year in which certified distributions of revenue attributable to the tax rate under this section are distributed to the county.

(p) Notwithstanding any other provision, a tax rate imposed under this section may not exceed one percent (1%).

(q) A county council must each year hold at least one (1) public meeting at which the county council discusses whether the tax rate under this section should be imposed or increased.

(r) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(s) This subsection applies only to Hancock County and Johnson County. If the voters of the county approve a local public question

under IC 8-25-2, the fiscal body of the county may adopt an ordinance to provide for the use of county adjusted gross income tax revenues attributable to an additional tax rate imposed under this subsection to fund a public transportation project under IC 8-25. However, a county fiscal body shall adopt an ordinance under this subsection if required by IC 8-25-6-10 to impose an additional tax rate on the county taxpayers who reside in a township in which the voters approve a public transportation project in a local public question held under IC 8-25-6. An ordinance adopted under this subsection must specify an additional tax rate to be imposed in the county (or township in the case of an additional rate required by IC 8-25-6-10) of at least one-tenth percent (0.1%), but not more than twenty-five hundredths percent (0.25%). If an ordinance is adopted under this subsection, the amount of the certified distribution attributable to the additional tax rate imposed under this subsection must be:

- (1) retained by the county auditor;
- (2) deposited in the public transportation project fund established under IC 8-25-3-7; and
- (3) used for the purpose provided in this subsection instead of as a property tax replacement distribution.

(t) The following do not apply to an additional tax rate imposed under subsection (s):

- (1) Subsection (e).
- (2) Subsection (f).
- (3) Subsection (g).
- (4) Subsection (k).
- (5) Subsection (n).
- (6) Subsection (o).

SECTION 5. IC 6-3.5-1.1-29 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 29. Notwithstanding any other law, if an additional tax rate imposed under section 24(s) of this chapter is required by IC 8-25-6-10, the additional tax rate applies only to the county taxpayers who reside in a township in which the voters approve a local public question held under IC 8-25-6.**

SECTION 6. IC 6-3.5-1.5-1, AS AMENDED BY P.L.137-2012, SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 1. (a) This section does not apply to a tax rate imposed under IC 6-3.5-1.1-24(s) or IC 6-3.5-6-30(t) for a public transportation project authorized under IC 8-25.**

(a) (b) The department of local government finance and the budget agency shall, before September 1 of each year, jointly calculate the county adjusted income tax rate or county option income tax rate (as applicable) that must be imposed in a county to raise income tax revenue in the following year equal to the sum of the following STEPS:

STEP ONE: Determine the greater of zero (0) or the result of:

- (1) the department of local government finance's estimate of the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all civil taxing units in the county for the ensuing calendar year (before any

- 1 adjustment under IC 6-1.1-18.5-3(g) or IC 6-1.1-18.5-3(h) for
- 2 the ensuing calendar year); minus
- 3 (2) the sum of the maximum permissible ad valorem property
- 4 tax levies calculated under IC 6-1.1-18.5 for all civil taxing
- 5 units in the county for the current calendar year.
- 6 In the case of a civil taxing unit that is located in more than one
- 7 (1) county, the department of local government finance shall, for
- 8 purposes of making the determination under this subdivision,
- 9 apportion the civil taxing unit's maximum permissible ad valorem
- 10 property tax levy among the counties in which the civil taxing unit
- 11 is located.
- 12 STEP TWO: This STEP applies only to property taxes first due
- 13 and payable before January 1, 2009. Determine the greater of zero
- 14 (0) or the result of:
- 15 (1) the department of local government finance's estimate of
- 16 the family and children property tax levy that will be imposed
- 17 by the county under IC 12-19-7-4 (before its repeal) for the
- 18 ensuing calendar year (before any adjustment under
- 19 IC 12-19-7-4(b) (before its repeal) for the ensuing calendar
- 20 year); minus
- 21 (2) the county's family and children property tax levy imposed
- 22 by the county under IC 12-19-7-4 (before its repeal) for the
- 23 current calendar year.
- 24 STEP THREE: This STEP applies only to property taxes first due
- 25 and payable before January 1, 2009. Determine the greater of zero
- 26 (0) or the result of:
- 27 (1) the department of local government finance's estimate of
- 28 the children's psychiatric residential treatment services
- 29 property tax levy that will be imposed by the county under
- 30 IC 12-19-7.5-6 ~~for~~ (before its repeal) **for** the ensuing calendar
- 31 year (before any adjustment under IC 12-19-7.5-6(b) (before
- 32 its repeal) for the ensuing calendar year); minus
- 33 (2) the children's psychiatric residential treatment services
- 34 property tax imposed by the county under IC 12-19-7.5-6
- 35 (before its repeal) for the current calendar year.
- 36 STEP FOUR: Determine the greater of zero (0) or the result of:
- 37 (1) the department of local government finance's estimate of
- 38 the county's maximum community mental health centers
- 39 property tax levy under IC 12-29-2-2 for the ensuing calendar
- 40 year (before any adjustment under IC 12-29-2-2(c) for the
- 41 ensuing calendar year); minus
- 42 (2) the county's maximum community mental health centers
- 43 property tax levy under IC 12-29-2-2 for the current calendar
- 44 year.
- 45 ~~(b)~~ **(c)** In the case of a county that wishes to impose a tax rate under
- 46 IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) for the first time, the
- 47 department of local government finance and the budget agency shall
- 48 jointly estimate the amount that will be calculated under subsection (a)
- 49 in the second year after the tax rate is first imposed. The department of
- 50 local government finance and the budget agency shall calculate the tax

rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) that must be imposed in the county in the second year after the tax rate is first imposed to raise income tax revenue equal to the estimate under this subsection.

~~(c)~~ **(d)** The budget agency and the department of local government finance shall make the calculations under subsections ~~(a)~~ **(b)** and ~~(b)~~ **(c)** based on the best information available at the time the calculation is made.

~~(d)~~ **(e)** Notwithstanding IC 6-3.5-1.1-24(h) and IC 6-3.5-6-30(h), if a county has adopted an income tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 to replace property tax levy growth, the part of the tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 that was used before January 1, 2009, to reduce levy growth in the county family and children's fund property tax levy and the children's psychiatric residential treatment services property tax levy shall instead be used for property tax relief in the same manner that a tax rate under IC 6-3.5-1.1-26 or IC 6-3.5-6-32 is used for property tax relief.

SECTION 7. IC 6-3.5-6-17, AS AMENDED BY P.L.261-2013, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 17. (a) Revenue derived from the imposition of the county option income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount that is to be distributed to a county during an ensuing calendar year equals the amount of county option income tax revenue that the budget agency determines has been:

(1) received from that county for a taxable year ending in a calendar year preceding the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county option income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the budget agency shall provide to the county auditor of each adopting county an estimate of the amount determined under subsection (a) that will be distributed to the county, based on known tax rates. Not later than thirty (30) days after receiving the estimate of the certified distribution, the county auditor shall notify each taxing unit of the estimated amount of distributive shares and other revenue that will be distributed to the taxing unit under this chapter during the ensuing calendar year. Before October 1 of each calendar year, the budget agency shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted, as necessary, under subsections (c), (d), (e), and (f). Not later than thirty (30) days after receiving the notice of the

amount of the certified distribution, the county auditor shall notify each taxing unit of the amount of distributive shares and other revenue that will be distributed to the taxing unit under this chapter during the ensuing calendar year. The budget agency shall provide the county council with an informative summary of the calculations used to determine the certified distribution. The summary of calculations must include:

- (1) the amount reported on individual income tax returns processed by the department during the previous fiscal year;
- (2) adjustments for over distributions in prior years;
- (3) adjustments for clerical or mathematical errors in prior years;
- (4) adjustments for tax rate changes; and
- (5) the amount of excess account balances to be distributed under IC 6-3.5-6-17.3.

The budget agency shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter. This information must be certified to the county auditor and to the department of local government finance before October 1 of each calendar year. The part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter may be used only as specified in those provisions.

(c) The budget agency shall certify an amount less than the amount determined under subsection (b) if the budget agency determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The budget agency may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) The budget agency shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The budget agency may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) This subsection applies to a county that imposes, increases, decreases, or rescinds a tax or tax rate under this chapter before November 1 in the same calendar year in which the budget agency makes a certification under this section. The budget agency shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The budget agency shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c). If the county imposes, increases, decreases, or rescinds a tax or tax rate under this chapter after the date for which a certification under subsection (b) is based, the budget agency shall adjust the certified distribution of the county after September 30 of the calendar year. The adjustment shall reflect any other adjustment required under subsections (c), (d), and (f). The adjusted certification shall be treated as the county's "certified distribution" for the immediately succeeding calendar year. The budget

agency shall certify the adjusted certified distribution to the county auditor for the county and provide the county council with an informative summary of the calculations that revises the informative summary provided in subsection (b) and reflects the changes made in the adjustment.

(f) This subsection applies in the year a county initially imposes a tax rate under section 30 of this chapter. Notwithstanding any other provision, the budget agency shall adjust the part of the county's certified distribution that is attributable to the tax rate under section 30 of this chapter to provide for a distribution in the immediately following calendar year equal to the result of:

(1) the sum of the amounts determined under STEP ONE through STEP FOUR of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the year in which the county initially imposes a tax rate under section 30 of this chapter; multiplied by

(2) the following:

(A) In a county containing a consolidated city, one and five-tenths (1.5).

(B) In a county other than a county containing a consolidated city, two (2).

(g) One-twelfth (1/12) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 16 of this chapter to the appropriate county treasurer on the first regular business day of each month of that calendar year.

(h) Upon receipt, each monthly payment of a county's certified distribution shall be allocated among, distributed to, and used by the civil taxing units of the county as provided in sections 18 and 19 of this chapter.

(i) All distributions from an account established under section 16 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of state ordering the appropriate payments.

(j) The budget agency shall before May 1 of every odd-numbered year publish an estimate of the statewide total amount of certified distributions to be made under this chapter during the following two (2) calendar years.

(k) The budget agency shall before May 1 of every even-numbered year publish an estimate of the statewide total amount of certified distributions to be made under this chapter during the following calendar year.

(l) The estimates under subsections (j) and (k) must specify the amount of the estimated certified distributions that are attributable to the additional rate authorized under section 30 of this chapter, the additional rate authorized under section 31 of this chapter, the additional rate authorized under section 32 of this chapter, and any other additional rates authorized under this chapter.

SECTION 8. IC 6-3.5-6-18, AS AMENDED BY P.L.135-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

- (1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;
- (2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);
- (3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;
- (4) fund the operation of a public library in a county containing a consolidated city as provided in an election, if any, made by the county fiscal body under IC 36-3-7-6;
- (5) make payments permitted under IC 36-7-14-25.5 or IC 36-7-15.1-17.5;
- (6) make payments permitted under subsection (i);
- (7) make distributions of distributive shares to the civil taxing units of a county; ~~and~~
- (8) make the distributions permitted under sections 27, 28, 29, 30, 31, 32, and 33 of this chapter; **and**
- (9) fund a public transportation project approved in an eligible county under IC 8-25-2 or in a township under IC 8-25-6, if any.**

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain:

- (1) the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-3-7-6, IC 36-7-14-25.5, IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year; and
- (2) the amount of an additional tax rate imposed under section 27, 28, 29, 30, 31, 32, or 33 of this chapter.

The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

- (1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by
- (2) A fraction. The numerator of the fraction equals the allocation amount for the civil taxing unit for the calendar year in which the month falls. The denominator of the fraction equals the sum of the allocation amounts of all the civil taxing units of the county for the calendar year in which the month falls.

(f) The department of local government finance shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter (other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter **for property tax relief or public safety**) to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 9. IC 6-3.5-6-26, AS AMENDED BY P.L.224-2007, SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 26. (a) A pledge of county option income tax revenues **received** under this chapter (other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter **for property tax relief or public safety**) is enforceable in accordance with IC 5-1-14.

(b) With respect to obligations for which a pledge has been made under this chapter, the general assembly covenants with the county and the purchasers or owners of those obligations that this chapter will not be repealed or amended in any manner that will adversely affect the tax collected under this chapter as long as the principal of or interest on those obligations is unpaid.

SECTION 10. IC 6-3.5-6-30, AS AMENDED BY P.L.261-2013,

SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 30. (a) In a county in which the county option income tax is in effect, the county income tax council may adopt an ordinance to impose or increase (as applicable) a tax rate under this section.

(b) In a county in which neither the county option adjusted gross income tax nor the county option income tax is in effect, the county income tax council may adopt an ordinance to impose a tax rate under this section.

(c) If a county income tax council adopts an ordinance to impose or increase a tax rate under this section, not more than ten (10) days after the vote, the county auditor shall send a certified copy of the ordinance to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance in an electronic format approved by the director of the budget agency.

(d) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(e) **Except as provided in subsection (u)**, the following apply only in the year in which a county income tax council first imposes a tax rate under this section:

(1) The county income tax council shall, in the ordinance imposing the tax rate, specify the tax rate for each of the following two (2) years.

(2) The tax rate that must be imposed in the county in the first year is equal to the result of:

(A) the tax rate determined for the county under ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in that year; multiplied by

(B) the following:

(i) In a county containing a consolidated city, one and five-tenths (1.5).

(ii) In a county other than a county containing a consolidated city, two (2).

(3) The tax rate that must be imposed in the county in the second year is the tax rate determined for the county under ~~IC 6-3.5-1.5-1(b)~~ **IC 6-3.5-1.5-1(c)**. The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(4) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c), IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its repeal), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year and to property taxes first due and payable in the calendar year after the ensuing calendar year.

(f) **Except as provided in subsection (u)**, the following apply only in a year in which a county income tax council increases a tax rate under this section:

(1) The county income tax council shall, in the ordinance increasing the tax rate, specify the tax rate for the following year.

(2) The tax rate that must be imposed in the county is equal to the result of:

(A) the tax rate determined for the county under ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the year the tax rate is increased; plus

(B) the tax rate currently in effect in the county under this section.

The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(3) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c), IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its repeal), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year.

(g) **Except as provided in subsection (u)**, the department of local government finance shall determine the following property tax replacement distribution amounts:

STEP ONE: Determine the sum of the amounts determined under STEP ONE through STEP FOUR of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** for the county in the preceding year.

STEP TWO: For distribution to each civil taxing unit that in the year had a maximum permissible property tax levy limited under IC 6-1.1-18.5-3(b), determine the result of:

(1) the quotient of:

(A) the part of the amount determined under STEP ONE of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the preceding year that was attributable to the civil taxing unit; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP THREE: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county family and children's fund before 2009, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP TWO of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FOUR: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county children's psychiatric residential treatment services fund before 2009, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP THREE of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this

- 1 section.
- 2 STEP FIVE: For distribution to the county for community mental
- 3 health center purposes, determine the result of:
- 4 (1) the quotient of:
- 5 (A) the amount determined under STEP FOUR of
- 6 ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** in the preceding year;
- 7 divided by
- 8 (B) the STEP ONE amount; multiplied by
- 9 (2) the tax revenue received by the county treasurer under this
- 10 section.
- 11 Except as provided in subsection (m), the county treasurer shall
- 12 distribute the portion of the certified distribution that is attributable to
- 13 a tax rate under this section as specified in this section. The county
- 14 treasurer shall make the distributions under this subsection at the same
- 15 time that distributions are made to civil taxing units under section 18
- 16 of this chapter.
- 17 (h) Notwithstanding sections 12 and 12.5 of this chapter, a county
- 18 income tax council may not decrease or rescind a tax rate imposed
- 19 under this section.
- 20 (i) The tax rate under this section shall not be considered for
- 21 purposes of computing:
- 22 (1) the maximum income tax rate that may be imposed in a county
- 23 under section 8 or 9 of this chapter or any other provision of this
- 24 chapter; or
- 25 (2) the maximum permissible property tax levy under
- 26 IC 6-1.1-18.5-3.
- 27 (j) The tax levy under this section shall not be considered for
- 28 purposes of the credit under IC 6-1.1-20.6.
- 29 (k) **Except as provided in subsections (t) and (u)**, a distribution
- 30 under this section shall be treated as a part of the receiving civil taxing
- 31 unit's property tax levy for that year for purposes of fixing its budget
- 32 and for determining the distribution of taxes that are distributed on the
- 33 basis of property tax levies.
- 34 (l) If a county income tax council imposes a tax rate under this
- 35 section **(other than a tax rate imposed under subsection (t))**, the
- 36 county option income tax rate dedicated to locally funded homestead
- 37 credits in the county may not be decreased.
- 38 (m) In the year following the year in which a county first imposes
- 39 a tax rate under this section:
- 40 (1) one-third (1/3) of the tax revenue that is attributable to the tax
- 41 rate under this section must be deposited in the county
- 42 stabilization fund established under subsection (o), in the case of
- 43 a county containing a consolidated city; and
- 44 (2) one-half (1/2) of the tax revenue that is attributable to the tax
- 45 rate under this section **(other than a tax rate imposed under**
- 46 **subsection (t))** must be deposited in the county stabilization fund
- 47 established under subsection (o), in the case of a county not
- 48 containing a consolidated city.
- 49 (n) **Except as provided in subsection (t) and IC 8-25**, a pledge of
- 50 county option income taxes does not apply to revenue attributable to a

tax rate under this section.

(o) **Except as provided in subsections (t) and (u)**, a county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county stabilization fund in a year by the county auditor to political subdivisions entitled to a distribution of tax revenue attributable to the tax rate under this section if:

(1) the certified distributions attributable to a tax rate under this section are less than the amount calculated under STEP ONE through STEP FOUR of ~~IC 6-3.5-1.5-1(a)~~ **IC 6-3.5-1.5-1(b)** that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section for a year; or

(2) the certified distributions attributable to a tax rate under this section in a year are less than the certified distributions attributable to a tax rate under this section in the preceding year.

However, subdivision (2) does not apply to the year following the first year in which certified distributions of revenue attributable to the tax rate under this section are distributed to the county.

(p) Notwithstanding any other provision, a tax rate imposed under this section may not exceed one percent (1%).

(q) **Except as provided in subsection (u)**, a county income tax council must each year hold at least one (1) public meeting at which the county council discusses whether the tax rate under this section should be imposed or increased.

(r) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(s) Notwithstanding any other provision, in:

(1) Lake County;

(2) **Delaware County; and**

(3) **Madison County;**

the county council (and not the county income tax council) is the entity authorized to take actions concerning the additional tax rate under this section.

(t) This subsection applies only to Delaware County and Madison County. If the voters of a county approve a local public question under IC 8-25-2, the fiscal body of the county may, after at least one (1) public meeting, adopt an ordinance to provide for the use of county option income tax revenue attributable to an additional tax rate imposed under this subsection to fund a public transportation project under IC 8-25. However, a county fiscal body shall adopt an ordinance under this subsection if required by IC 8-25-6-10 to impose an additional tax rate on the county

taxpayers who reside in a township in which the voters approve a public transportation project in a local public question held under IC 8-25-6. An ordinance adopted under this subsection must specify an additional tax rate to be imposed in the county (or township in the case of an additional rate required by IC 8-25-6-10) of at least one-tenth percent (0.1%), but not more than twenty-five hundredths percent (0.25%). If an ordinance is adopted under this subsection, the amount of the certified distribution attributable to the additional tax rate imposed under this subsection must be:

- (1) retained by the county auditor;
- (2) deposited in the county public transportation project fund established under IC 8-25-3-7; and
- (3) used for the purpose provided in this subsection instead of as a property tax replacement distribution.

(u) The following do not apply to an additional tax rate imposed under subsection (t):

- (1) Subsection (e).
- (2) Subsection (f).
- (3) Subsection (g).
- (4) Subsection (k).
- (5) Subsection (n).
- (6) Subsection (o).
- (7) Subsection (q).

SECTION 11. IC 6-3.5-6-34 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 34. Notwithstanding any other law, if an additional tax rate imposed under section 30(t) of this chapter is required by IC 8-25-6-10, the additional tax rate applies only to the county taxpayers who reside in a township in which the voters approve a local public question held under IC 8-25-6.**

SECTION 12. IC 6-3.5-7-5, AS AMENDED BY P.L.261-2013, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. Except as provided in section 26(m) of this chapter, the entity that may impose the tax is:**

- (1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on October 1 of the year the county economic development income tax is imposed;
- (2) the county council if the county adjusted gross income tax is in effect on October 1 of the year the county economic development tax is imposed; or
- (3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in this section and section 28 of this chapter, the county economic development income tax may be imposed at a rate of:

- (1) one-tenth percent (0.1%);
- (2) two-tenths percent (0.2%);
- (3) twenty-five hundredths percent (0.25%);
- (4) three-tenths percent (0.3%);
- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%); or
- (8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in this section, the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in this section, the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must adopt an ordinance.

(e) The ordinance to impose the tax must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county."

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance in an electronic format approved by the director of the budget agency.

(g) For Jackson County, except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(h) For Pulaski County, except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(i) For Wayne County, except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(j) This subsection applies to Randolph County. Except as provided in subsection (o), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(k) For Daviess County, except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(l) For:

(1) Elkhart County; or

(2) Marshall County;

except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For Union County, except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) This subsection applies to Knox County. Except as provided in subsection (o), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(o) This subsection applies to a county in which an adopting entity approves the use of the certified distribution for property tax relief under section 26(c) and 26(e) of this chapter or to a county in which the county fiscal body approves the use of the certified distribution to fund a public transportation project under section 26(m) of this chapter. In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

~~However,~~ **Except as provided in section 5.5 of this chapter,** the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1 (repealed) before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or residential property (as defined in section 26 of this chapter), as appropriate under the ordinance adopted by the adopting body in the county, resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the exclusion in 2008 of inventory from the definition of personal property in IC 6-1.1-1-11.

(p) If the county economic development income tax is imposed as authorized under subsection (o) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for ~~the~~ **a** purpose provided in section 26 of this chapter to the extent that the certified distribution results from the difference between:

- (1) the actual county economic development tax rate; and
- (2) the maximum rate that would otherwise apply under this section.

(q) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (o), in addition to the rates permitted by subsection (b), the:

- (1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and
 - (2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);
- if the county council makes a determination to impose rates under this subsection and section 27 of this chapter.

(r) Except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

(s) This subsection applies to Howard County. Except as provided in subsection (o), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(t) This subsection applies to Scott County. Except as provided in subsection (o), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(u) This subsection applies to Jasper County. Except as provided in subsection (o), the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect

on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(v) An additional county economic development income tax rate imposed under section 28 of this chapter may not be considered in calculating any limit under this section on the sum of:

(1) the county economic development income tax rate plus the county adjusted gross income tax rate; or

(2) the county economic development tax rate plus the county option income tax rate.

(w) The income tax rate limits imposed by subsection (c) or (x) or any other provision of this chapter do not apply to:

(1) a county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or

(2) a county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

For purposes of computing the maximum combined income tax rate under subsection (c) or (x) or any other provision of this chapter that may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this chapter, a county's county adjusted gross income tax rate or county option income tax rate for a particular year does not include the county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

(x) This subsection applies to Monroe County. Except as provided in subsection (o), if an ordinance is adopted under IC 6-3.5-6-33, the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(y) This subsection applies to Perry County. Except as provided in subsection (o), if an ordinance is adopted under section 27.5 of this chapter, the county economic development income tax rate plus the county option income tax rate that is in effect on January 1 of a year may not exceed one and seventy-five hundredths percent (1.75%).

(z) This subsection applies to Starke County. Except as provided in subsection (o), if an ordinance is adopted under section 27.6 of this chapter, the county economic development income tax rate plus the county adjusted gross income tax rate that is in effect on January 1 of a year may not exceed two percent (2%).

SECTION 13. IC 6-3.5-7-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 5.5. (a) This section applies to Hamilton County and Marion County.**

(b) If an additional tax rate is imposed under section 5(o) of this chapter:

(1) by a county subject to this section; and

(2) for the purpose described in section 26(m) of this chapter; the additional tax rate is not subject to the limitations set forth in section 5(o) of this chapter that relate to increased ad valorem property taxes on homesteads or residential property resulting from the exclusion of inventory from the definition of personal property in IC 6-1.1-1-11.

SECTION 14. IC 6-3.5-7-26, AS AMENDED BY P.L.137-2012,
SECTION 105, IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2014]: Sec. 26. (a) This section applies only to
the following:

(1) **Taxes imposed under this chapter to provide** homestead
and property tax replacement credits for property taxes first due
and payable after calendar year 2006.

(2) **Taxes imposed under this chapter to fund a public
transportation project under subsection (m).**

(b) The following definitions apply throughout this section:

(1) "Adopt" includes amend.

(2) "Adopting entity" means:

(A) the entity that adopts an ordinance under
IC 6-1.1-12-41(f); or

(B) any other entity that may impose a county economic
development income tax under section 5 of this chapter.

(3) "Homestead" refers to tangible property that is eligible for a
homestead credit under IC 6-1.1-20.9 (repealed) or the standard
deduction under IC 6-1.1-12-37.

(4) "Residential" refers to the following:

(A) Real property, a mobile home, and industrialized housing
that would qualify as a homestead if the taxpayer had filed for
a homestead credit under IC 6-1.1-20.9 (repealed) or the
standard deduction under IC 6-1.1-12-37.

(B) Real property not described in clause (A) designed to
provide units that are regularly used to rent or otherwise
furnish residential accommodations for periods of thirty (30)
days or more, regardless of whether the tangible property is
subject to assessment under rules of the department of local
government finance that apply to:

(i) residential property; or

(ii) commercial property.

(c) **This subsection does not apply to a county in which the
county fiscal body adopts an ordinance to provide for the use of the
certified distribution described in section 16 of this chapter to fund
a public transportation project under IC 8-25.** An adopting entity
may adopt an ordinance to provide for the use of the certified
distribution described in section 16 of this chapter for the purpose
provided in subsection (e). An adopting entity that adopts an ordinance
under this subsection shall use the procedures set forth in IC 6-3.5-6
concerning the adoption of an ordinance for the imposition of the
county option income tax. The ordinance may provide for an additional
rate under section 5(o) of this chapter. An ordinance adopted under this
subsection:

(1) first applies to the certified distribution described in section 16
of this chapter made in the later of the calendar year that
immediately succeeds the calendar year in which the ordinance is
adopted or calendar year 2007; and

(2) must specify that the certified distribution must be used to
provide for one (1) of the following, as determined by the
adopting entity:

- 1 (A) Uniformly applied homestead credits as provided in
- 2 subsection (f).
- 3 (B) Uniformly applied residential credits as provided in
- 4 subsection (g).
- 5 (C) Allocated homestead credits as provided in subsection (i).
- 6 (D) Allocated residential credits as provided in subsection (j).
- 7 An ordinance adopted under this subsection may be combined with an
- 8 ordinance adopted under section 25 of this chapter (before its repeal).
- 9 (d) If an ordinance is adopted under subsection (c), the percentage
- 10 of the certified distribution specified in the ordinance for use for the
- 11 purpose provided in subsection (e) shall be:
- 12 (1) retained by the county auditor under subsection (k); and
- 13 (2) used for the purpose provided in subsection (e) instead of the
- 14 purposes specified in the capital improvement plans adopted
- 15 under section 15 of this chapter.
- 16 (e) If an ordinance is adopted under subsection (c), the adopting
- 17 entity shall use the certified distribution described in section 16 of this
- 18 chapter to provide:
- 19 (1) if the ordinance grants a credit described in subsection
- 20 (c)(2)(A) or (c)(2)(C), a homestead credit for homesteads; or
- 21 (2) if the ordinance grants a credit described in subsection
- 22 (c)(2)(B) or (c)(2)(D), a property tax replacement credit for
- 23 residential property;
- 24 for property taxes to offset the effect on homesteads or residential
- 25 property, as applicable, in the county resulting from the statewide
- 26 deduction for inventory under IC 6-1.1-12-42 or from the exclusion in
- 27 2008 of inventory from the definition of personal property in
- 28 IC 6-1.1-1-11. The amount of a residential property tax replacement
- 29 credit granted under this section may not be considered in computing
- 30 the amount of any homestead credit to which the residential property
- 31 may be entitled under IC 6-1.1-20.9 (before its repeal) or another law
- 32 other than IC 6-1.1-20.6.
- 33 (f) If the imposing entity specifies the application of uniform
- 34 homestead credits under subsection (c)(2)(A), the county auditor shall,
- 35 for each calendar year in which a homestead credit percentage is
- 36 authorized under this section, determine:
- 37 (1) the amount of the certified distribution that is available to
- 38 provide a homestead credit percentage under this section for the
- 39 year;
- 40 (2) the amount of uniformly applied homestead credits for the
- 41 year in the county that equals the amount determined under
- 42 subdivision (1); and
- 43 (3) the percentage of homestead credit under this section that
- 44 equates to the amount of homestead credits determined under
- 45 subdivision (2).
- 46 (g) If the imposing entity specifies the application of uniform
- 47 residential credits under subsection (c)(2)(B), the county auditor shall
- 48 determine for each calendar year in which a homestead credit
- 49 percentage is authorized under this section:
- 50 (1) the amount of the certified distribution that is available to

1 provide a residential property tax replacement credit percentage
2 for the year;

3 (2) the amount of uniformly applied residential property tax
4 replacement credits for the year in the county that equals the
5 amount determined under subdivision (1); and

6 (3) the percentage of residential property tax replacement credit
7 under this section that equates to the amount of residential
8 property tax replacement credits determined under subdivision
9 (2).

10 (h) The percentage of homestead credit determined by the county
11 auditor under subsection (f) or the percentage of residential property
12 tax replacement credit determined by the county auditor under
13 subsection (g) applies uniformly in the county in the calendar year for
14 which the percentage is determined.

15 (i) If the imposing entity specifies the application of allocated
16 homestead credits under subsection (c)(2)(C), the county auditor shall,
17 for each calendar year in which a homestead credit is authorized under
18 this section, determine:

19 (1) the amount of the certified distribution that is available to
20 provide a homestead credit under this section for the year; and

21 (2) except as provided in subsection (1), a percentage of
22 homestead credit for each taxing district in the county that
23 allocates to the taxing district an amount of homestead credits that
24 bears the same proportion to the amount determined under
25 subdivision (1) that the amount of inventory assessed value
26 deducted under IC 6-1.1-12-42 in the taxing district for the
27 assessment date in 2006 bears to the total inventory assessed
28 value deducted under IC 6-1.1-12-42 in the county for the
29 assessment date in 2006.

30 (j) If the imposing entity specifies the application of allocated
31 residential property tax replacement credits under subsection (c)(2)(D),
32 the county auditor shall determine for each calendar year in which a
33 residential property tax replacement credit is authorized under this
34 section:

35 (1) the amount of the certified distribution that is available to
36 provide a residential property tax replacement credit under this
37 section for the year; and

38 (2) except as provided in subsection (1), a percentage of
39 residential property tax replacement credit for each taxing district
40 in the county that allocates to the taxing district an amount of
41 residential property tax replacement credits that bears the same
42 proportion to the amount determined under subdivision (1) that
43 the amount of inventory assessed value deducted under
44 IC 6-1.1-12-42 in the taxing district for the assessment date in
45 2006 bears to the total inventory assessed value deducted under
46 IC 6-1.1-12-42 in the county for the assessment date in 2006.

47 (k) **This subsection does not apply to a county in which the**
48 **county fiscal body adopts an ordinance to provide for the use of the**
49 **certified distribution described in section 16 of this chapter to fund**
50 **a public transportation project under IC 8-25.** The county auditor

shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the homestead credit or residential property tax replacement credit provided under this section within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

- (1) as if the money were from property tax collections; and
- (2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of a homestead credit or residential property tax replacement credit under this section.

(l) This subsection does not apply to a county in which the county fiscal body adopts an ordinance to provide for the use of the certified distribution described in section 16 of this chapter to fund a public transportation project under IC 8-25. Subject to the approval of the imposing entity, the county auditor may adjust the increased percentage of:

- (1) homestead credit determined under subsection (i)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the homesteads in the county; or
- (2) residential property tax replacement credit determined under subsection (j)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the residential property in the county.

(m) This section applies to Hamilton County and Marion County. If the voters of a county approve a local public question under IC 8-25-2, the fiscal body of the county may adopt an ordinance to provide for the use of the certified distribution described in section 16 of this chapter to fund a public transportation project under IC 8-25. However, a county fiscal body shall adopt an ordinance under this subsection if required by IC 8-25-6-10 to impose an additional tax rate on the county taxpayers who reside in a township in which the voters approve a public transportation project in a local public question held under IC 8-25-6. An ordinance adopted under this subsection must specify an additional tax rate to be imposed in the county (or township in the case of an additional rate required by IC 8-25-6-10) of at least one-tenth percent (0.1%), but not more than twenty-five hundredths percent (0.25%). If an ordinance is adopted under this subsection, the amount of the certified distribution attributable to the additional tax rate specified in the ordinance and authorized by section 5(o) of this chapter to fund a public transportation project under IC 8-25 must be:

- (1) retained by the county auditor;**
- (2) deposited in the public transportation project fund established under IC 8-25-3-7; and**
- (3) used for the purpose provided in this subsection instead of the purposes specified in the capital improvement plan adopted under section 15 of this chapter.**

SECTION 15. IC 6-3.5-7-29 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

1, 2014]: **Sec. 29. Notwithstanding any other law, if an additional tax rate imposed under sections 5(o) and 26(m) of this chapter is required by IC 8-25-6-10, the additional tax rate applies only to the county taxpayers who reside in a township in which the voters approve a local public question held under IC 8-25-6.**

SECTION 16. IC 8-23-3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 8. (a) The public mass transportation fund is established for the purpose of promoting and developing public mass transportation in Indiana. The fund shall be administered by the department.

(b) The treasurer of state may invest the money in the fund in the same manner as other public funds may be invested.

(c) Money in the fund at the end of a fiscal year does not revert to the state general fund.

(d) **This subsection applies to a calendar year beginning after December 31 of a calendar year in which an eligible county (as defined by IC 8-25-1-4) begins to carry out a public transportation project approved under IC 8-25. The distribution formula established by the department is subject to annual review by the budget committee and approval by the budget director to ensure that a public mass transportation system located in a county other than an eligible county is not adversely affected by a public transportation project carried out under IC 8-25.**

SECTION 17. IC 8-25 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]:

ARTICLE 25. CENTRAL INDIANA PUBLIC TRANSPORTATION PROJECTS

Chapter 1. General Provisions

Sec. 1. The purpose of this article is to provide a flexible means of planning, designing, acquiring, constructing, enlarging, improving, renovating, maintaining, equipping, financing, operating, and supporting public transportation systems that can be adapted to the unique circumstances existing in central Indiana.

Sec. 2. The definitions in this chapter apply throughout this article.

Sec. 3. "Bonds" means, except as otherwise provided, bonds, notes, or other evidences of indebtedness. The term includes obligations (as defined in IC 8-9.5-9-3) and swap agreements (as defined in IC 8-9.5-9-4).

Sec. 4. "Eligible county" means one (1) or more of the following counties:

- (1) Delaware County.**
- (2) Hamilton County.**
- (3) Hancock County.**
- (4) Johnson County.**
- (5) Madison County.**
- (6) Marion County.**

Sec. 5. "Light rail" means a streetcar type vehicle railway operated on city streets, semi-private rights-of-way, or exclusive private rights-of-way using step-entry vehicles or level boarding.

1 **Sec. 6. "Public transportation project" refers to an action taken**
 2 **to:**

- 3 (1) plan;
- 4 (2) design;
- 5 (3) acquire;
- 6 (4) construct;
- 7 (5) enlarge;
- 8 (6) improve;
- 9 (7) renovate;
- 10 (8) maintain;
- 11 (9) equip; or
- 12 (10) operate;

13 **a public transportation system in an eligible county.**

14 **Sec. 7. "Public transportation agency" has the meaning set forth**
 15 **in IC 36-9-1-5.5.**

16 **Sec. 8. "Public transportation system" means any common**
 17 **carrier of passengers for hire.**

18 **Chapter 2. Local Public Questions on Central Indiana Public**
 19 **Transportation Projects**

20 **Sec. 1. Except as provided in IC 8-25-4-6, the fiscal body of an**
 21 **eligible county may adopt an ordinance to place on the ballot a**
 22 **local public question granting the fiscal body of the eligible county**
 23 **the authority to fund and carry out a public transportation project.**
 24 **The fiscal body shall include in the ordinance:**

- 25 (1) a description of the public transportation services that will
- 26 be provided through the proposed public transportation
- 27 project; and
- 28 (2) an estimate of each tax necessary to annually fund the
- 29 public transportation project.

30 **Sec. 2. If the fiscal body of an eligible county adopts an**
 31 **ordinance under section 1 of this chapter, the county auditor shall**
 32 **certify a copy of the ordinance to the department of local**
 33 **government finance, including the language for the question**
 34 **required by section 3, 4, or 5 of this chapter, whichever is**
 35 **applicable to the eligible county. The department shall review the**
 36 **language for compliance with section 3, 4, or 5 of this chapter,**
 37 **whichever is applicable to the eligible county. The department of**
 38 **local government finance may approve or reject the language. The**
 39 **department shall send its decision to the county auditor and the**
 40 **fiscal body of the eligible county not more than ten (10) days after**
 41 **the ordinance is submitted to the department. If the language is**
 42 **approved, the county auditor shall certify a copy of the ordinance,**
 43 **including the language for the question and the department's**
 44 **approval, to the county election board of the eligible county.**

45 **Sec. 3. (a) This section applies to Hamilton County and Marion**
 46 **County.**

47 **(b) If a fiscal body of an eligible county adopts an ordinance**
 48 **under section 1 of this chapter, the county auditor shall certify the**
 49 **ordinance to the county election board, and the county election**
 50 **board shall place the following question on the election ballot in**
 51 **accordance with IC 3-10-9:**

"Shall _____ County have the ability to impose a county economic development income tax rate, not to exceed a rate of _____ (insert recommended rate included in the ordinance authorizing the local public question), to pay for improving or establishing public transportation service in the county through a public transportation project that _____ (insert the description of the public transportation project set forth in the ordinance authorizing the local public question)?".

Sec. 4. (a) This section applies to Delaware County and Madison County.

(b) If a fiscal body of an eligible county adopts an ordinance under section 1 of this chapter, the county auditor shall certify the ordinance to the county election board, and the county election board shall place the following question on the election ballot in accordance with IC 3-10-9:

"Shall _____ County have the ability to impose a county option income tax rate, not to exceed a rate of _____ (insert recommended rate included in the ordinance authorizing the local public question), to pay for improving or establishing public transportation service in the county through a public transportation project that _____ (insert the description of the public transportation project set forth in the ordinance authorizing the local public question)?".

Sec. 5. (a) This section applies to Hancock County and Johnson County.

(b) If a fiscal body of an eligible county adopts an ordinance under section 1 of this chapter, the county auditor shall certify the ordinance to the county election board, and the county election board shall place the following question on the election ballot in accordance with IC 3-10-9:

"Shall _____ County have the ability to impose a county adjusted gross income tax rate, not to exceed a rate of _____ (insert recommended rate included in the ordinance authorizing the local public question), to pay for improving or establishing public transportation service in the county through a public transportation project that _____ (insert the description of the public transportation project set forth in the ordinance authorizing the local public question)?".

Sec. 6. Except as provided in section 9 of this chapter, if a county auditor certifies an ordinance under section 3, 4, or 5 of this chapter, the county election board shall place the local public question on the ballot at the next general election for which the question may be certified under IC 3-10-9-3 and for which all voters of the county are entitled to vote.

Sec. 7. After an election on the local public question, the circuit court clerk of the county shall:

- (1) make a certified copy of the election returns; and
- (2) not later than five (5) days after the election, file the copy

1 with:

2 (A) the department of state revenue; and

3 (B) the fiscal body of the county.

4 **Sec. 8. The local public question is approved by a county if a**
 5 **majority of the county voters voting on the local public question**
 6 **vote "yes". The local public question is defeated by a county if a**
 7 **majority of the county voters voting on the local public question**
 8 **vote "no".**

9 **Sec. 9. If the local public question is defeated in a county, the**
 10 **fiscal body may adopt an ordinance under section 1 of this chapter**
 11 **to place another local public question on the ballot as provided in**
 12 **this chapter at a subsequent general election in the county.**
 13 **However, a local public question may not be placed on the ballot**
 14 **under this chapter more than two (2) times in any seven (7) year**
 15 **period.**

16 **Sec. 10. Nothing in this article creates a moral obligation of the**
 17 **state:**

18 (1) to pay for any transportation project or service or other
 19 amounts under this article; or

20 (2) to pay any bonds issued under this article.

21 **Sec. 11. No general tax revenues of the state may be used to pay**
 22 **for a transportation project or service under this article. However,**
 23 **this section does not apply to distributions from the public mass**
 24 **transportation fund.**

25 **Sec. 12. (a) Except as otherwise provided in this section, during**
 26 **the period beginning with the date on which an ordinance is**
 27 **adopted under this chapter to place a local public question on the**
 28 **ballot and continuing through the day on which the public question**
 29 **is submitted to the voters under this chapter, a political subdivision**
 30 **may not promote a position on the local public question by doing**
 31 **any of the following:**

32 (1) Using facilities or equipment, including mail and
 33 messaging systems, owned by the political subdivision to
 34 promote a position on the local public question, unless equal
 35 access to the facilities or equipment is given to persons with a
 36 position opposite to that of the political subdivision.

37 (2) Making an expenditure of money from a fund controlled
 38 by the political subdivision to promote a position on the local
 39 public question.

40 (3) Using an employee to promote a position on the local
 41 public question during the employee's normal working hours
 42 or paid overtime, or otherwise compelling an employee to
 43 promote a position on the local public question at any time.
 44 However, if a person described in subsection (b) is advocating
 45 for or against a position on the local public question or
 46 discussing the local public question as authorized under
 47 subsection (b), an employee of the political subdivision may
 48 assist the person in presenting information on the public
 49 question if requested to do so by the person described in
 50 subsection (b).

51 **However, this section does not prohibit an official or employee of**

the political subdivision from carrying out duties with respect to a local public question that are part of the normal and regular conduct of the official's or employee's office or agency, including the furnishing of factual information regarding the local public question in response to inquiries from any person.

(b) Notwithstanding any other law, an elected or appointed official of a political subdivision may:

(1) personally advocate for or against a position on a local public question; or

(2) discuss the public question with any individual, group, or organization or personally advocate for or against a position on a local public question before any individual, group, or organization;

so long as it is not done by using public funds. Advocacy or discussion allowed under this subsection is not considered a use of public funds.

Chapter 3. Funding for Central Indiana Public Transportation Projects

Sec. 1. (a) This section applies to Hamilton County and Marion County.

(b) If the voters of an eligible county approve a local public question under IC 8-25-2, the fiscal body of the eligible county may, subject to section 4 of this chapter, adopt an ordinance under IC 6-3.5-7-26(m) to impose an additional county economic development income tax rate as allowed by IC 6-3.5-7-5(o) for the public transportation project.

Sec. 2. (a) This section applies to Delaware County and Madison County.

(b) If the voters of an eligible county approve a local public question under IC 8-25-2, the fiscal body of the eligible county may, subject to section 4 of this chapter, adopt an ordinance under IC 6-3.5-6-30(t) to impose an additional county option income tax rate for the public transportation project.

Sec. 3. (a) This section applies to Hancock County and Johnson County.

(b) If the voters of an eligible county approve a local public question under IC 8-25-2, the fiscal body of the eligible county may, subject to section 4 of this chapter, adopt an ordinance under IC 6-3.5-1.1-24(s) to impose an additional county adjusted gross income tax rate for the public transportation project.

Sec. 4. The fiscal body of an eligible county may not adopt an ordinance imposing a tax rate or a tax for a public transportation project unless the tax rate or tax was described in an ordinance adopted under IC 8-25-2-1 and in the local public question on the approval of the public transportation project.

Sec. 5. (a) The minimum tax rate for a county adjusted gross income tax, county option income tax, or county economic development income tax that may be imposed to fund a public transportation project is one-tenth percent (0.1%).

(b) The maximum tax rate for a county adjusted gross income tax, county option income tax, or county economic development

1 income tax that may be imposed to fund a public transportation
2 project is twenty-five hundredths percent (0.25%).

3 Sec. 6. (a) The following apply to the funding of a public
4 transportation project:

5 (1) For the first year of operations, an amount must be raised
6 from sources other than taxes and fares that is equal to at
7 least ten percent (10%) of the revenue that the budget agency
8 certifies that the county will receive in that year from a
9 county adjusted gross income tax, county option income tax,
10 or county economic development income tax imposed to fund
11 the public transportation project.

12 (2) For the second year of operations and each year
13 thereafter, at least ten percent (10%) of the annual operating
14 expenses of the public transportation project must be paid
15 from sources other than taxes and fares. For purposes of this
16 subdivision, operating expenses include only those expenses
17 incurred in the operation of fixed route services that are
18 established or expanded as a result of a public transportation
19 project authorized and funded under this article.

20 The budget agency shall assist the fiscal body of an eligible county
21 in determining the amount of money that must be raised under
22 subdivision (1).

23 (b) A county fiscal body or another entity authorized to carry
24 out a public transportation project under IC 8-25-4 shall raise the
25 revenue required by subsection (a) for a particular calendar year
26 before the end of the third quarter of the preceding calendar year.
27 Money raised under this section must be deposited in the county
28 public transportation fund established under section 7 of this
29 chapter.

30 (c) If a county fiscal body or other entity fails to raise the
31 revenue required by subsection (a) before the deadline specified in
32 subsection (b), the county in which the public transportation
33 project is located is responsible for paying the difference between:

34 (1) the amount that subsection (a) requires to be raised from
35 sources other than taxes and fares; minus

36 (2) the amount actually raised from sources other than taxes
37 and fares.

38 Sec. 7. (a) If the fiscal body of an eligible county imposes taxes
39 to fund a public transportation project, the county treasurer of the
40 eligible county shall establish a county public transportation
41 project fund to receive tax revenues collected for the public
42 transportation project. Money received from a foundation
43 established under IC 8-25-7 or IC 8-25-8 may be deposited into the
44 fund.

45 (b) Money in a fund established under subsection (a) at the end
46 of the eligible county's fiscal year remains in the fund. Interest
47 earned by the fund must be deposited in the fund.

48 (c) Money deposited in an eligible county's public transportation
49 project fund may be used only to purchase, establish, operate,
50 repair, or maintain a public transportation project authorized
51 under this article. Money in the fund may be pledged by the fiscal

body of the eligible county to the repayment of bonds issued for purposes of a public transportation project authorized under this article.

(d) The fiscal body of an eligible county may, in the manner provided by law, appropriate money from the fund to a public transportation corporation that is authorized to purchase, establish, operate, repair, or maintain the public transportation project if the public transportation project is located, either entirely or partially, within the eligible county.

Sec. 8. For purposes of this chapter, IC 36-9-2-2(b), and IC 36-9-4-58(b), the purchase of equipment or other personal property is considered an operating expense if the equipment or other personal property has a useful life of less than three (3) years.

Chapter 4. Carrying Out Central Indiana Public Transportation Projects

Sec. 1. An eligible county may carry out a public transportation project in accordance with the powers granted to the county by IC 36-9-2 and this article.

Sec. 2. The fiscal body of an eligible county may adopt an ordinance authorizing a public transportation corporation to carry out a public transportation project in accordance with the powers granted to the public transportation corporation under IC 36-9-4 and subject to the appropriating power of the fiscal body and any other powers reserved for the fiscal body by this article.

Sec. 3. The fiscal body of an eligible county may adopt an ordinance authorizing the executive of the county to enter into an interlocal agreement with the executive of another eligible county to carry out jointly a public transportation project approved by the voters of both counties in local public questions held under this article.

Sec. 4. The fiscal body of an eligible county may adopt an ordinance authorizing the executive of the county to enter into one (1) or more public-private partnership contracts under which a public transportation project is carried out, in whole or in part, by one (1) or more nongovernmental entities.

Sec. 5. If an ordinance authorizing public-private partnership contracts is adopted under section 4 of this chapter, the executive of the eligible county shall issue a request for proposals with respect to each proposed public-private partnership contract and award each contract under IC 5-22-9.

Sec. 6. An eligible county may carry out only one (1) public transportation project under this article. The fiscal body of an eligible county may not adopt a subsequent ordinance under IC 8-25-2-1 after a public transportation project is approved by the voters of the county under IC 8-25-2.

Sec. 7. (a) As used in this section, "minority business enterprise" has the meaning set forth in IC 4-13-16.5-1.

(b) As used in this section, "veteran business enterprise" means a business enterprise that has a current verification as a veteran owned small business concern under 38 CFR 74 et seq. by the

Center of Veterans Enterprise of the United States Department of Veterans Affairs.

(c) As used in this section, "women's business enterprise" has the meaning set forth in IC 4-13-16.5-1.3.

(d) Except where 49 CFR 26 applies, the fiscal body of an eligible county or another person authorized to carry out a public transportation project under this chapter shall set a goal for participation by minority business enterprises, veteran business enterprises, and women's business enterprises in conformity with the goals established by the department of minority and women's business development of a consolidated city and the goals of the department of administration established under IC 5-22-14-11 for veteran business enterprises. The goals must be consistent with the goals of delivering the project on time and within the budgeted amount and, insofar as possible, using Indiana businesses for employees, goods, and services.

Sec. 8. If a transportation project is approved in an eligible county, transportation services must be provided through the transportation project throughout the eligible county and must be made available under this article to all citizens of the county.

Sec. 9. An eligible county may not:

- (1) purchase, lease, or otherwise acquire;
- (2) construct;
- (3) operate;
- (4) cause any person to purchase, lease, acquire, construct, or operate; or
- (5) expend revenues deposited in the county public transportation project fund established under IC 8-25-3-7 on; a light rail project.

Sec. 10. If a public transportation project is authorized by a local public question held in a township under IC 8-25-6, the fiscal body of the eligible county in which the township is located shall carry out the public transportation project. An eligible county may exercise any power authorized by this chapter in carrying out the public transportation project in the township. Any duty imposed upon an eligible county by this chapter applies with respect to a public transportation project carried out in the township.

Chapter 5. Bonding for Central Indiana Public Transportation Projects

Sec. 1. This chapter applies to the issuance of bonds by an eligible county for purposes of a public transportation project authorized under this article.

Sec. 2. As used in this chapter, "bonds" has the meaning set forth in IC 36-1-2-2.

Sec. 3. (a) Upon request of the county executive, the county fiscal body may borrow money and issue bonds in the name of the county in principal amounts and maturities as the fiscal body determines necessary to provide sufficient funds for the purposes specified in this article, including:

- (1) the payment of costs of the public transportation project for which bonds are authorized, costs of issuance, or related

- costs of financing;
- (2) the payment of interest on the bonds;
- (3) the establishment of reserves to secure the bonds; and
- (4) all other expenditures of the county incident to, necessary, and convenient to carry out this chapter.

(b) Before bonds may be issued under this chapter, the county fiscal body shall give notice of a public hearing to disclose the purpose for which the bond issue is proposed, the amount of the proposed issue, and other pertinent data. The county fiscal body shall publish in accordance with IC 5-3-1 a notice of the time, place, and general purpose of the hearing.

Sec. 4. (a) The bonds must be authorized by ordinance of the fiscal body. The ordinance must provide the following with respect to the bonds:

- (1) The original date of the bonds.
- (2) The time or times that the bonds mature. However, a bond may not mature more than twenty (20) years after the date it is issued.
- (3) The maximum interest rate or rates, including variations of the rates.
- (4) The denominations.
- (5) The form, either coupon or registered.
- (6) The registration privileges.
- (7) The medium of payment and the place or places of payment.
- (8) The terms of redemption, including redemption before maturity.

(b) Bonds issued under this chapter must be sold under IC 5-1-11, and at a price or prices determined by the county fiscal body in the ordinance.

Sec. 5. An ordinance authorizing the issuance of bonds under this chapter or trust indenture under which the bonds are issued may contain the following provisions:

- (1) Pledging revenues of the county to secure the payment of the bonds, subject to section 6 of this chapter and existing agreements with bondholders.
- (2) Setting aside reserves or sinking funds and the regulation and disposition of these funds.
- (3) Limitations on the purposes to which the proceeds from the sale of bonds may be applied.
- (4) Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding or other bonds.
- (5) The procedure, if any, by which the terms of a contract with bondholders may be amended or abrogated and the manner in which the consent to the amendment or abrogation may be given.
- (6) Vesting in a trustee property, rights, powers, and trust as the county fiscal body determines, and limiting or abrogating the right of the bondholders to appoint a trustee or to limit the rights, powers, and duties of the trustee.

(7) Defining acts or omissions that will constitute a default and the obligations or duties of the county fiscal body to the bondholders and providing for the rights and remedies of the bondholders in the event of default. However, the rights and remedies must not be inconsistent with this chapter or other laws of this state.

(8) A covenant that the fiscal body will not repeal or adversely modify the taxes or sources of revenue that are pledged to secure the payment of the bonds.

(9) Any other matter that affects the security or protection of the bondholders.

Sec. 6. (a) Except as provided in subsection (b), the county fiscal body may pledge revenues for the payment of principal and interest on the bonds and for other purposes under the ordinance as provided by IC 5-1-14-4, including revenues from the following sources:

(1) The county adjusted gross income tax in Hancock County or Johnson County.

(2) The county option income tax in Delaware County or Madison County.

(3) The county economic development income tax in Hamilton County or Marion County.

(b) The county fiscal body may not pledge to levy ad valorem property taxes for these purposes.

(c) If the county fiscal body has pledged revenues from the county economic development income tax as set forth in subsection (a), the county fiscal body may covenant that the county fiscal body will not repeal or modify the tax in a manner that would adversely affect owners of outstanding bonds issued under this chapter. The county fiscal body may make the covenant by adopting an ordinance.

Sec. 7. (a) The bonds may be secured by a trust indenture between the county and a bank having the power of a trust company or any trust company.

(b) The trust indenture may provide for:

(1) protecting and enforcing the rights and remedies of the bondholders as are reasonable and proper and not in violation of law;

(2) covenants setting forth the duties of the county fiscal body in relation to the exercise of its powers and the custody, safekeeping, and application of money related to the bond financing for which the trust indenture exists;

(3) the payment of the proceeds of the bonds and the revenue of the trustee under the trust indenture; and

(4) the method of disbursement of the proceeds of the bonds and the revenue to the trustee, with safeguards and restrictions as the county fiscal body may determine.

Sec. 8. Bonds issued by the county under this chapter must be executed by the manual or facsimile signatures of the executive and attested to by the county auditor.

Sec. 9. Money received from the bonds issued under this chapter

shall be applied solely to the purposes for which the bonds were issued, except as provided in IC 5-1-13 and IC 5-1-14.

Sec. 10. The bonds are negotiable instruments, subject only to the provisions of the bonds relating to registration.

Sec. 11. Bonds issued under this chapter are exempt from taxation in Indiana under IC 6-8-5.

Sec. 12. Bonds issued by the county under this chapter are exempt from registration and other requirements of IC 23 and any other securities registration laws.

Sec. 13. The general assembly pledges to and covenants with the owner of any bonds issued under this chapter that the general assembly will not limit or alter the ability of the county to fulfill the terms of the agreements or pledges made with bondholders or in any way impair the rights or remedies of the bondholders until the bonds and related obligations are fully met and discharged.

Sec. 14. IC 6-1.1-20 does not apply to the issuance of bonds under this chapter.

Sec. 15. Bonds issued under this chapter do not create a moral obligation of the state to pay all or part of the debt.

Chapter 6. Township Opt-in

Sec. 1. This chapter applies to a township located in an eligible county.

Sec. 2. (a) If:

(1) the fiscal body of the county in which the township is located does not adopt an ordinance under IC 8-25-2-1; and

(2) the township is adjacent to either:

(A) an eligible county in which a public transportation project has been approved under IC 8-25-2; or

(B) a township in which a public transportation project has been approved under this chapter;

the fiscal body of the township may pass a resolution to place on the ballot a local public question on whether the fiscal body of the eligible county should be required to fund and carry out a public transportation project in the township.

(b) The fiscal body of the township shall include in the resolution passed under subsection (a):

(1) a description of the public transportation services that will be provided in the township through the proposed public transportation project; and

(2) an estimate of each tax necessary to annually fund the public transportation project in the township.

Sec. 3. If the fiscal body of a township adopts a resolution under section 2 of this chapter, the township trustee shall certify a copy of the resolution to the department of local government finance, including the language for the question required by IC 8-25-2-3, IC 8-25-2-4, or IC 8-25-2-5, whichever is applicable to the eligible county in which the township is located. The township trustee may modify the proposed local question as necessary to indicate that the local question concerns a public transportation project for the township. The department shall review the language for compliance with section 3, 4, or 5 of this chapter, whichever is

1 applicable to the eligible county, while taking into account any
 2 necessary modifications for the township. The department of local
 3 government finance may approve or reject the language. The
 4 department shall send its decision to the township trustee and the
 5 fiscal body of the township not more than ten (10) days after the
 6 resolution is submitted to the department. If the language is
 7 approved, the township trustee shall certify a copy of the
 8 resolution, including the language for the question and the
 9 department's approval, to the county election board of the eligible
 10 county.

11 **Sec. 4.** If the county election board of an eligible county receives
 12 from a township trustee a certified copy of the resolution adopted
 13 under section 2 of this chapter and the approved language for the
 14 local public question, the county election board shall place the
 15 following question on the election ballot in accordance with
 16 IC 3-10-9:

17 "Shall _____ County impose a _____
 18 (insert the name of the applicable income tax under
 19 IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7) tax rate, not to exceed
 20 a rate of _____ (insert recommended rate included in the
 21 ordinance authorizing the local public question), on the
 22 county taxpayers residing in _____ Township to
 23 pay for improving or establishing public transportation
 24 service in _____ Township through a public
 25 transportation project that _____ (insert the
 26 description of the public transportation project set forth in
 27 the township resolution authorizing the local public
 28 question)?".

29 **Sec. 5.** If a township trustee certifies a resolution under section
 30 3 of this chapter, the county election board shall place the local
 31 public question on the ballot at the next general election for which
 32 the question may be certified under IC 3-10-9-3 and for which all
 33 voters of the township are entitled to vote.

34 **Sec. 6.** After an election on the local public question, the circuit
 35 court clerk of the eligible county in which the township is located
 36 shall:

- 37 (1) make a certified copy of the election returns; and
- 38 (2) not later than five (5) days after the election, file the copy
- 39 with:
- 40 (A) the department of state revenue;
- 41 (B) the fiscal body of the county; and
- 42 (C) the fiscal body of the township.

43 **Sec. 7.** The local public question is approved by a township if a
 44 majority of the township voters voting on the local public question
 45 vote "yes". The local public question is defeated by a township if
 46 a majority of the township voters voting on the local public
 47 question vote "no".

48 **Sec. 8.** If the local public question is defeated in a township, the
 49 fiscal body of the township may not adopt a resolution under
 50 section 2 of this chapter to place another local public question on
 51 the ballot as provided in this chapter at a subsequent general

election in the township.

Sec. 9. IC 8-25-2-12 applies to a local public question held under this chapter.

Sec. 10. If the voters of a township located in an eligible county approve a local public question under this chapter, the fiscal body of the eligible county shall adopt an ordinance under IC 6-3.5-1.1-24(s), IC 6-3.5-6-30(t), or IC 6-3.5-7-26(m), whichever is applicable to the eligible county, to impose an additional county adjusted gross income tax rate, county option income tax rate, or county economic development income tax rate upon the county taxpayers residing in the township for the public transportation project in the township.

Sec. 11. (a) The minimum tax rate for a county adjusted gross income tax, county option income tax, or county economic development income tax that may be imposed upon the county taxpayers who reside in a township to fund a public transportation project in the township is one-tenth percent (0.1%).

(b) The maximum tax rate for a county adjusted gross income tax, county option income tax, or county economic development income tax that may be imposed upon the county taxpayers who reside in a township to fund a public transportation project in the township is twenty-five hundredths percent (0.25%).

Sec. 12. A tax rate imposed under this chapter applies only to the county taxpayers who reside in a township in which the voters approve a local public question held under this chapter.

Sec. 13. IC 8-25-3-6 applies to a public transportation project authorized under this chapter in a township.

Sec. 14. Bonds issued with respect to a public transportation project in the township must be paid from tax revenue collected from county taxpayers who reside in the township.

Sec. 15. IC 36-9-2-2(b) and IC 36-9-2-2(c) apply to a public transportation project authorized under this chapter in a township.

Chapter 7. Public Transportation Foundation in Marion County

Sec. 1. This chapter applies to Marion County.

Sec. 2. As used in this chapter, "board" refers to the board of a public transportation corporation providing public transportation services in Marion County.

Sec. 3. The board shall establish a foundation that is organized as a nonprofit corporation that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code to solicit and accept private funding, gifts, donations, bequests, devises, and contributions to meet the requirements of IC 8-25-3-6(a).

Sec. 4. A foundation established under section 3 of this chapter:

(1) shall use money received under section 3 of this chapter to:

(A) fund in part a public transportation project authorized under this article as required by IC 8-25-3-6(a); and

(B) carry out the purposes and programs of the foundation under this chapter; and

(2) may deposit money received under section 3 of this chapter in an account or fund that is:

(A) administered by the foundation; and

(B) not part of the state or county treasury.

Sec. 5. The foundation established under section 3 of this chapter is governed by a board of directors consisting of at least seven (7) voting members appointed by the board.

Sec. 6. The members appointed under section 5 of this chapter shall be appointed for a term of three (3) years but may be removed by the board for cause.

Sec. 7. The affirmative votes of a majority of the members of the board of directors are required for the foundation to take any official action.

Sec. 8. The fiscal body of Marion County or the board, if authorized to carry out a public transportation project under IC 8-25-4, may enter into any agreement necessary with the foundation to meet the requirements of IC 8-25-3-6(a) and carry out the purposes of this chapter.

Chapter 8. Public Transportation Foundations in Eligible Counties other than Marion County

Sec. 1. This chapter applies to an eligible county other than Marion County.

Sec. 2. As used in this chapter, "board" refers to the board of commissioners of an eligible county.

Sec. 3. The board shall establish a foundation that is organized as a nonprofit corporation that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code to solicit and accept private funding, gifts, donations, bequests, devises, and contributions to meet the requirements of IC 8-25-3-6(a).

Sec. 4. A foundation established under section 3 of this chapter:

(1) shall use money received under section 3 of this chapter to:

(A) fund in part a public transportation project authorized under this article as required by IC 8-25-3-6(a); and

(B) carry out the purposes and programs of the foundation under this chapter; and

(2) may deposit money received under section 3 of this chapter in an account or fund that is:

(A) administered by the foundation; and

(B) not part of the state or county treasury.

Sec. 5. The foundation established under section 3 of this chapter is governed by a board of directors consisting of at least seven (7) voting members appointed by the board.

Sec. 6. The members appointed under section 5 of this chapter shall be appointed for a term of three (3) years but may be removed by the board for cause.

Sec. 7. The affirmative votes of a majority of the members of the board of directors are required for the foundation to take any official action.

Sec. 8. The fiscal body of an eligible county, the board, or any other entity authorized to carry out a public transportation project under IC 8-25-4 in the eligible county may enter into any agreement necessary with the foundation to meet the requirements

1 **of IC 8-25-3-6(a) and carry out the purposes of this chapter.**

2 SECTION 18. IC 12-29-2-2, AS AMENDED BY SEA 24-2014,
3 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2014]: Sec. 2. (a) A county shall fund the operation of
5 community mental health centers in the amount determined under
6 subsection (b), unless a lower tax levy amount will be adequate to
7 fulfill the county's financial obligations under this chapter in any of the
8 following situations:

9 (1) If the total population of the county is served by one (1)
10 center.

11 (2) If the total population of the county is served by more than one
12 (1) center.

13 (3) If the partial population of the county is served by one (1)
14 center.

15 (4) If the partial population of the county is served by more than
16 one (1) center.

17 (b) The amount of funding under subsection (a) for taxes first due
18 and payable in a calendar year is the following:

19 (1) For 2004, the amount is the amount determined under STEP
20 THREE of the following formula:

21 STEP ONE: Determine the amount that was levied within the
22 county to comply with this section from property taxes first
23 due and payable in 2002.

24 STEP TWO: Multiply the STEP ONE result by the county's
25 assessed value growth quotient for the ensuing year 2003, as
26 determined under IC 6-1.1-18.5-2.

27 STEP THREE: Multiply the STEP TWO result by the county's
28 assessed value growth quotient for the ensuing year 2004, as
29 determined under IC 6-1.1-18.5-2.

30 (2) Except as provided in subsection (c), for 2005 and each year
31 thereafter, the result equal to:

32 (A) the amount that was levied in the county to comply with
33 this section from property taxes first due and payable in the
34 calendar year immediately preceding the ensuing calendar
35 year; multiplied by

36 (B) the county's assessed value growth quotient for the ensuing
37 calendar year, as determined under IC 6-1.1-18.5-2.

38 (c) This subsection applies only to property taxes first due and
39 payable after December 31, 2007. This subsection applies only to a
40 county for which:

41 (1) a county adjusted gross income tax rate is first imposed or is
42 increased in a particular year under IC 6-3.5-1.1-24; or

43 (2) a county option income tax rate is first imposed or is increased
44 in a particular year under IC 6-3.5-6-30;

45 **to provide property tax relief in the county.** Notwithstanding any
46 provision in this section or any other section of this chapter, for a
47 county subject to this subsection, the county's maximum property tax
48 levy under this section to fund the operation of community mental
49 health centers for the ensuing calendar year is equal to the county's
50 maximum property tax levy to fund the operation of community mental

health centers for the current calendar year.

(d) Except as provided in subsection (h), the county shall pay to the division of mental health and addiction the part of the funding determined under subsection (b) that is appropriated solely for funding the operations of a community health center. The funding required under this section for operations of a community health center shall be paid by the county to the division of mental health and addiction. These funds shall be used solely for satisfying the non-federal share of medical assistance payments to community mental health centers serving the county for:

(1) allowable administrative services; and

(2) community mental health rehabilitation services.

All other funding appropriated for the purposes allowed under section 1.2(b)(1) of this chapter shall be paid by the county directly to the community mental health center semiannually at the times that the payments are made under subsection (e).

(e) The county shall appropriate and disburse the funds for operations semiannually not later than December 1 and June 1 in an amount equal to the amount determined under subsection (b) and requested in writing by the division of mental health and addiction. The total funding amount paid to the division of mental health and addiction for a county for each calendar year may not exceed the amount that is calculated in subsection (b) and set forth in writing by the division of mental health and addiction for the county. Funds paid to the division of mental health and addiction by the county shall be submitted by the county in a timely manner after receiving the written request from the division of mental health and addiction, to ensure current year compliance with the community mental health rehabilitation program and any administrative requirements of the program.

(f) The division of mental health and addiction shall ensure that the non-federal share of funding received from a county under this program is applied only for matching federal funds for the designated community mental health centers to the extent a center is eligible to receive county funding under ~~IC 12-21-2-3(a)(5)(E)~~. **IC 12-21-2-3(5)(D).**

(g) The division of mental health and addiction:

(1) shall first apply state funding to a community mental health center's non-federal share of funding under this program; and

(2) may next apply county funding received under ~~IC 12-29-2-2~~ **this section** to any remaining non-federal share of funding for the community mental health center.

The division shall distribute any excess state funds that exceed the community mental health rehabilitation services non-federal share applied to a community mental health center that is entitled to the excess state funds.

(h) The health and hospital corporation of Marion County created by IC 16-22-8-6 may make payments to the division for the operation of a community mental health center as described in this chapter.

SECTION 19. IC 36-9-2-2 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. (a) A unit may
2 establish, aid, maintain, and operate transportation systems.

3 (b) This subsection applies to an eligible county (as defined by
4 IC 8-25-1-4) that establishes a public transportation system
5 through a public transportation project authorized and funded
6 under IC 8-25. The unit must establish fares and charges that cover
7 at least twenty-five percent (25%) of the operating expenses of the
8 public transportation system. For purposes of this subsection,
9 operating expenses include only those expenses incurred in the
10 operation of fixed route services that are established or expanded
11 as a result of a public transportation project authorized and
12 funded under IC 8-25. The unit annually shall report on the unit's
13 compliance with this subsection not later than sixty (60) days after
14 the close of the unit's fiscal year. The report must include
15 information on any fare increases necessary to achieve compliance.
16 The unit shall submit the report to the department of local
17 government finance and make the report available electronically
18 through the Indiana transparency Internet web site established
19 under IC 5-14-3.8.

20 (c) If a unit fails to prepare and disclose the annual report in the
21 manner required by subsection (b), any person subject to a tax
22 described in IC 8-25 may initiate a cause of action in the circuit
23 court of the eligible county to compel the appropriate officials of
24 the unit to prepare and disclose the annual report not later than
25 thirty (30) days after a court order mandating the unit to comply
26 with subsection (b) is issued by the circuit court.

27 SECTION 20. IC 36-9-4-58 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 58. (a) An urban mass
29 transportation system operating under this chapter is considered a
30 common carrier not operating under a franchise or contract granted by
31 a municipality and not regulated by ordinance, and is subject to the
32 authority of the department of state revenue under IC 8-2.1 to the same
33 extent as any other common carrier. However, in determining the
34 reasonableness of the fares and charges of such a system, the
35 department of state revenue shall consider, among other factors, the
36 policy of this chapter to foster and assure the development and
37 maintenance of urban mass transportation systems, and it is not
38 necessary that the operating revenues of the system be sufficient to
39 cover the cost to the system of providing adequate service.

40 (b) If a public transportation corporation providing public
41 transportation services in Marion County expands its service
42 through a public transportation project authorized and funded
43 under IC 8-25, the public transportation corporation shall establish
44 fares and charges that cover at least twenty-five percent (25%) of
45 the operating expenses of the urban mass transportation system
46 operated by the public transportation corporation. For purposes
47 of this subsection, operating expenses include only those expenses
48 incurred in the operation of fixed route services that are
49 established or expanded as a result of a public transportation
50 project authorized and funded under IC 8-25. The public
51 transportation corporation annually shall report on the

1 corporation's compliance with this subsection not later than sixty
2 (60) days after the close of the corporation's fiscal year. The report
3 must include information on any fare increases necessary to
4 achieve compliance. The public transportation corporation shall
5 submit the report to the department of local government finance
6 and make the report available electronically through the Indiana
7 transparency Internet web site established under IC 5-14-3.8.

8 (c) If a public transportation corporation fails to prepare and
9 disclose the annual report in the manner required by subsection
10 (b), any person subject to a tax described in IC 8-25 may initiate a
11 cause of action in the circuit court of the eligible county to compel
12 the appropriate officials of the public transportation corporation
13 to prepare and disclose the annual report not later than thirty (30)
14 days after a court order mandating the public transportation
15 corporation to comply with subsection (b) is issued by the circuit
16 court.

(Reference is to ESB 176 as reprinted February 28, 2014.)

Conference Committee Report
on
Engrossed Senate Bill 176

Signed by:

Senator Miller Patricia
Chairperson

Representative Torr

Senator Breaux

Representative Porter

Senate Conferees

House Conferees